



*The Niagara Catholic District School Board through  
the charisms of faith, social justice, support and leadership,  
nurtures an enriching Catholic learning community for all  
to reach their full potential and become living witnesses of Christ.*

**AGENDA AND MATERIAL**

**AUDIT COMMITTEE MEETING  
PUBLIC SESSION**

**FRIDAY, SEPTEMBER 25, 2020  
10:00 A.M.**



**FATHER KENNETH BURNS, C.S.C. BOARD ROOM  
CATHOLIC EDUCATION CENTRE, WELLAND, ONTARIO**

**A. ROUTINE MATTERS**

- |  |      |
|--|------|
| 1. Opening Prayers   | -    |
| 2. Roll Call   | -    |
| 3. Nominations and Election of Chair for 2020-2021         | -    |
| 4. Approval of the Agenda                                  | -    |
| 5. Declaration of Conflict of Interest                     |      |
| 5.1 Declaration of Conflict of Interest Form(2020-2021)    | A5.1 |
| 5.2 Declaration of Conflict of Interest re Agenda (verbal) |      |
| 6. Minutes of the Audit Committee Meeting                  |      |
| 6.1 June 19, 2020  | A6.1 |

**B. REPORTS**

- |   |      |
|---|------|
| 1. Regional Internal Audit Status Report.   | B1   |
| 1.1 Training Plan and Summary   |      |
| 1.2 Regional Internal Audit Mandate   | B1.2 |
| 2. Advertisement of the Non Board Member Positions of the Niagara Catholic Audit Committee<br>Section 7 of the Ontario Regulation 361/10. | B2   |

**C. BUSINESS IN CAMERA**

**D. FUTURE MEETINGS**

**E. ADJOURNMENT**

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
SEPTEMBER 25, 2020**

***PUBLIC SESSION***

**TITLE: DECLARATION OF CONFLICT OF INTEREST FORM  
(2020-2021)**

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The Declaration of Conflict of Interest Form is presented for signature by each Member of the Audit Committee.

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Presented by: Niagara Catholic District School Board Audit Committee Chair

Date: September 25, 2020



**Declaration to the Chair of the Audit Committee of  
the Niagara Catholic District School Board  
by a Member of the Audit Committee  
as to Whether or Not the Member has a Conflict of Interest**

1. This Declaration applies to:  
(check one)

- ☐ a) the Committee meetings of the Audit Committee for the fiscal year 2020-2021
- ☐ b) any changes subsequent to the fiscal year declaration.

2. I \_\_\_\_\_, declare that I do not have a conflict of interest as  
(name of member)  
defined by Subsection 4(2) of O. Reg 361/10, Education Act, RSO 1990 C.E-2.  
(strike out if inapplicable)

3. I \_\_\_\_\_, declare that I have a conflict of interest as  
(name of member)  
defined by Subsection 4(2) of O. Reg 361/10, Education Act, RSO 1990 C.E-2 because one or more of  
my: parents(s), child(ren) or spouse is/are employed by the Board at this time.  
(strike out if inapplicable)

Dated at Welland, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Audit Committee Member

Note: Subsection 4(2) O. Reg 361/10, Education Act, RSO 1990 C.E-2 states:

“4(2) For the purposes of clause (1)(c), a person has a conflict of interest if his or her parent,  
child or spouse is employed by the board”.

Written declarations must be submitted to the Chair of the committee at the first meeting of the  
committee in each fiscal year as per Subsection 14(1) O. Reg 361/10.

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
SEPTEMBER 25, 2020**

***PUBLIC SESSION***

**TITLE: MINUTES OF THE AUDIT COMMITTEE MEETING OF  
JUNE 19, 2020**

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**RECOMMENDATION**

**THAT** the Niagara Catholic District School Board Audit Committee approve the Minutes of the Audit Committee Meeting (Public Session) of June 19, 2020, as presented.



# MINUTES OF THE AUDIT COMMITTEE MEETING (PUBLIC SESSION)

**FRIDAY, JUNE 19, 2020**

Minutes of the Audit Committee Meeting (public session) of the Niagara Catholic District School Board, held on June 19, 2020 electronically in compliance with Education Act Section 207 and Ontario Regulation 463/97 Section 5.1(2).

The meeting was called to order at 10:06 a.m. by Chair, Kathy Burtnik.

## **A. ROUTINE MATTERS**

### **1. Opening Prayer**

Opening Prayer was led by Trustee Dino Sicoli

### **2. Roll Call**

<b>Committee Member</b>	<b>Present</b>	<b>Present Electronically</b>	<b>Absent</b>	<b>Excused</b>
Kathy Burtnik		✓		
Dino Sicoli		✓		
Paul Turner		✓		
Mario Falvo		✓		
Louie Finelli		✓		

Resources to the Audit Committee were in attendance:

**John Crocco**, Director of Education, Secretary/Treasurer  
**Giancarlo Vetrone**, Superintendent of Business and Financial Services  
**Rosa Rocca**, Controller of Business and Finance  
**Sherry Morena**, Coordinator of Information Management  
**Jenny Baker**, Regional Internal Audit Manager  
**John Forte**, Regional Internal Audit Team  
**Melanie Dugard**, Grant Thornton LLP

Staff in attendance:

**Shari Bush**, Recording Secretary/Administrative Assistant, Business and Financial Services

### **3. Approval of the Public Agenda of June 19, 2020.**

Moved by Dino Sicoli

**THAT** the Niagara Catholic Audit Committee approve the Agenda of the Audit Committee Meeting (Public Session) of Friday, June 19, 2020.

**CARRIED**

**4. Declaration of Conflict of Interest**

No Declarations of Conflicts of Interest were declared with any items on the agenda.

**5. Approval of Minutes of the Audit Committee Meeting (Public Session) of November 22, 2019**

Moved by Mario Falvo

**THAT** the Niagara Catholic Audit Committee approve the Minutes of the Audit Committee Meeting (Public Session) of November 22, 2019.

**CARRIED**

**B. REPORTS**

**1. Regional Internal Audit Status Report**

**1.1 Annual Independence Assertion**

Jenny Baker presented the Annual Independence Assertion in the Regional Internal Audit Status Report to the committee members.

**2. 2019-2020 Audit Seven Month Engagement Letter**

Melanie Dugard presented the 2019-2020 Audit Seven Month Engagement Letter to the committee members.

**3. 2019-2020 Financial Report-YTD May 31, 2020**

Giancarlo Vetrone presented the 2019-2020 Financial Reports-YTD, May 31, 2020 to the committee members.

**4. Advertisement for the Non Board Member Positions of the Niagara Catholic Audit Committee Section 7 of the Ontario Regulation 361/10**

Giancarlo Vetrone presented the Advertisement for the Non Board Member Positions for discussion.

**C. BUSINESS IN CAMERA**

Moved by Paul Turner

**THAT** the Niagara Catholic Audit Committee move into the In Camera Session

**CARRIED**

The Niagara Catholic Audit Committee moved into the In Camera Session of the Committee Meeting at 10:32 a.m. and reconvened at 11:56 a.m.

#### **D. FUTURE MEETINGS**

Next Audit Committee Meeting is Friday, September 25, 2020 at 10:00 a.m.

#### **E. ADJOURNMENT**

Moved by Paul Turner

**THAT** the June 19, 2020 meeting of the Niagara Catholic Audit Committee be adjourned.

**CARRIED**

The Niagara Catholic Audit Committee Meeting was adjourned at 12:00 p.m.

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
SEPTEMBER 25, 2020**

***PUBLIC SESSION***

**TITLE: REGIONAL INTERNAL AUDIT STATUS REPORT**

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The Regional Internal Audit Status Report is presented for information.

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Presented by: Jenny Baker, Regional Internal Audit Manager and John Forte, Regional Internal Auditor

Date: September 25, 2020





## MEMO

TO: Niagara Catholic District School Board Audit Committee  
FROM: Jenny Baker, Regional Internal Audit Manager  
DATE: 25 September 2020  
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

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This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's (RIAT) work since June 19, 2020.

### A. Other

Please refer to the attached 2020-2021 training plan and a summary of training completed for the 2019-2020 year. This report is provided to confirm RIAT compliance to International Standard for the Professional Practice of Internal Auditing, standard #1230 - Continuing Professional Development.

### B. Regional Internal Audit Mandate

Attached is the Regional Internal Audit Mandate for review and adoption. The School Business Support Branch memo, **2016: SB31: 'Update on Regional Internal Audit Consistency Measures'** requires that this mandate be re-signed when there are changes in the make-up of the committee so that all parties understand the role and mandate of the regional internal audit team.

## RIAT Education and Training Plan

### Objective:

1. To report on RIAT compliance to International Standards for the Professional Practice of Internal Auditing standard #1230-Continuing Development.
2. To define training plans to develop and maintain professional competencies.

### Completed 2019-20

Auditor	Training Focus	Date
All Auditors	1. RIAT Conference 2. Ontario Association of School Business Officials,(OASBO) Internal Audit Section 3. Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes (*see acronyms below)	December 2019 Relevant sessions  As offered throughout the year
John Forte	1.Successfully Completed Part 1 of the Certified Internal Audit designation.	December 2, 2019
Andrea Eltherington	1. Met all of the requirements and was granted full rights and recognition for the CISA designation.  Andrea confirms that she has met the annual continuing education requirements of the IIA.	June 18, 2020
Jenny Baker	Jenny confirms that she has met the annual continuing education requirements of CPA Ontario, ISACA and the ACFE.	

### Planned 2020-21

Auditor	Training Focus	Date
All Auditors	1. Attend ACFE Current Topics for Fraud Examiners. Four sessions which include: Making Ethical Decisions in Times of Uncertainty; Securing Your Data in the Digital Age; The Social Risk & How Hackers Attack Your Staff & Organization; and Detecting Deception in Everyday Communications. 2. OASBO Internal Audit. 3 Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes.	September 21-24  When relevant Throughout the year
John Forte	Sit for Part 2 of CIA requirements	September 2020

### Acronyms

**ACFE** – Association of Certified Fraud Examiners

**IIA-** Institute of Internal Auditors

**ISACA** – Information Systems Audit and Control Association

**CIA** – Certified Internal Auditor

**CPA** – Chartered Professional Accountant

**CISA** – Certified Information Systems Auditor

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
SEPTEMBER 25, 2020**

***PUBLIC SESSION***

**TITLE: REGIONAL INTERNAL AUDIT MANDATE**

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The Regional Internal Audit Mandate is presented for signature by the Regional Internal Audit Manager, the Audit Committee Chair and the Director of Education.

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Presented by: Jenny Baker, Regional Internal Audit Manager and John Forte, Regional Internal Auditor

Date: September 25, 2020

# **Regional Internal Audit Mandate**

## **PURPOSE AND DEFINITION**

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the West of Central region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## **ROLE**

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees over the regional internal audit activity is established by Regulation 361/10.

## **PROFESSIONALISM**

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

## **AUTHORITY**

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee of the Board of Trustees.

## **ORGANIZATION**

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Regional Internal Audit Manager will report functionally to their regional audit committees of the Boards of Trustees and administratively are supported by a host school board Senior Business Official. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

Each Audit Committee of the Board of Trustees will for their Board:

- Approve the regional internal audit mandate;
- Recommend for approval the risk based internal audit plan;

- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager and the Senior Business Official whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee of the Board of Trustees, including in-camera sessions and between audit committee meetings as appropriate.

## **INDEPENDENCE AND OBJECTIVITY**

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Regional Internal Audit Manager will confirm to the Audit Committee of the Board of Trustees, at least annually, the organizational independence of the internal audit activity.

## **RESPONSIBILITY**

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;

- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

## **INTERNAL AUDIT PLAN**

Annually, the Regional Internal Audit Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Manager or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

## **REPORTING AND MONITORING**

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Regional Internal Audit Manager at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the audit committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

## **QUALITY ASSURANCE**

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Regional Internal Audit Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five year cycle.

\_\_\_\_\_  
Regional Internal Audit Manager

\_\_\_\_\_  
Audit Committee Chair

\_\_\_\_\_  
Director of Education or designate

September 25, 2020

Dated \_\_\_\_\_

## DEFINITION OF SELECTED TERMS

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that has overall responsibility and accountability for the district school board. For purposes of this Mandate, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<p>The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Integrity and ethical values.</li> <li><input type="checkbox"/> Management's philosophy and operating style.</li> <li><input type="checkbox"/> Organizational structure.</li> <li><input type="checkbox"/> Assignment of authority and responsibility.</li> <li><input type="checkbox"/> Human resource policies and practices.</li> <li><input type="checkbox"/> Competence of personnel.</li> </ul>
Control/Internal Controls	<p>Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.</p>



Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the <i>Regional Internal Audit Manager</i> promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
September 25, 2020**

***PUBLIC SESSION***

**TITLE: ADVERTISEMENT FOR THE NON BOARD MEMBER  
POSITIONS OF THE NIAGARA CATHOLIC AUDIT  
COMMITTEE-SECTION 7 OF THE ONTARIO  
REGULATION 361/10**

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## NIAGARA CATHOLIC DISTRICT SCHOOL BOARD AUDIT COMMITTEE MEMBERS

Niagara Catholic District School Board is a progressive and dynamic Board that offers exemplary Catholic education to 24,000 elementary, secondary and continuing education students throughout the Niagara Region.

The Niagara Catholic District School Board is seeking two community members with financial expertise and business knowledge to serve on its Audit Committee for a three-year term.

The Audit Committee is comprised of three Trustees and two independent members drawn from the community at large. The primary role of the Audit Committee is to assist the Board of Trustees in fulfilling its duties related to governance and oversight. The duties of the Audit Committee fall under the following key areas: the financial reporting process, internal control framework, risk management practices, performance and function of the Board's internal and external auditors and the Board's compliance with its obligations under legislation. The committee meets three times a year, plus ad hoc meetings as required.

Induction training material is available online to all committee members to clarify roles and responsibilities for Audit Committees for the school board sector.

Candidate eligibility, as per Ontario Regulation 361/10 Audit Committees:

- Applicants must have sufficient accounting, senior financial management or other relevant business experience to understand public sector accounting and auditing standards.
- The applicant must not be a current employee or Officer of the Board, or of any other District School Board or school authority.
- The applicant must not have a parent, child or spouse currently employed by the Board.

Suitably qualified candidates interested in serving on the Audit Committee are asked to submit a letter of interest and resume by October 30, 2020 to:

**Frank Fera, Chair of the Board**  
Niagara Catholic District School Board  
427 Rice Road, Welland, ON  
L3C 7C1

The Niagara Catholic District School Board is committed to accommodating the individual needs of candidates within our selection processes, in accordance with the Accessibility for Ontarians with Disabilities Act (AODA).

If you are contacted by the Niagara Catholic District School Board, please advise if you require an accommodation.

*Frank Fera, Chair of the Board*

*Camillo Cipriano, Director of Education/ Secretary-Treasurer*

**Nurturing Souls and Building Minds**

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD  
AUDIT COMMITTEE MEETING  
SEPTEMBER 25, 2020**

***PUBLIC SESSION***

**TITLE: FUTURE MEETINGS**

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Next Audit Committee Meetings are as scheduled for Fridays at 10:00 a.m.:

November 27, 2020

June 18, 2021